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## Funding Status

### *E-Rate for FY 2025 – Application Window:*

**Application Window:** The Form 471 application window for FY 2025 opened last Wednesday, January 15<sup>th</sup>, and will close on Wednesday, March 26<sup>th</sup>, 2025, at 11:59 p.m. EDT. For additional information on the FY 2025 filing window, including training opportunities, see USAC's [E-Rate Special Edition News Brief dated January 15<sup>th</sup>](#).

### *E-Rate for FY 2024:*

Wave 39 for FY 2024 was released on Thursday, January 16<sup>th</sup>, for \$4.02 million, none for North Carolina. Total funding is now \$2.52 billion including \$73.6 million for North Carolina. Currently, USAC has funded 97.7% of the originally submitted applications, representing 86.3% of the dollars requested.

## Hotspot Eligibility Death Knell?

Two developments last week signal the likely demise of hotspot E-Rate eligibility for FY 2025 and beyond.

Most immediately was an announcement by Sen. Cruz (R-TX), the new Chairman of the Senate Commerce Committee, that he will introduce Congressional Review Act (“CRA”) resolutions this week to overturn a number of Democratic-sponsored resolutions with the FCC’s hotspot order being prominently mentioned.

By way of background, the CRA is a tool that Congress can use to overturn recently finalized rules and regulations. The CRA requires that agencies submit “covered” rules to Congress and the Government Accountability Office (GAO) before they may take effect. Congress then has a

limited period of time in which to use special fast-track parliamentary procedures to consider legislation overturning those rules. While often thought of as a tool that an incoming Administration can use to reverse “last-minute” actions of the outgoing Administration, this year’s CRA affects rules enacted back to early August, about a week before the publication of the hotspot order. Use of the CRA to kill hotspots requires a simple majority vote in both houses of Congress; is not subject to filibuster; and, once reversed, rules cannot be reintroduced. We should know the Congressional fate of hotspot eligibility shortly.

The other challenge to hotspots comes from the FCC itself. Initially, post-inauguration, the Commission will be comprised of four Commissioners, two Republicans (including the new Chairman Brendan Carr) and two Democrats. As we have discussed in the past, the hotspot order was approved along party lines in a contentious 3:2 vote under Democratic Chairwoman Jessica Rosenworcel, who has just resigned. The party alignment is now 2:2. Until there is a fifth Commissioner, whose vote would break a tie, an FCC decision to eliminate hotspot eligibility is unlikely.

But that time is not far off. Last week, Trump named Olivia Trusty, a top GOP aide on the U.S. Senate Commerce Committee, as his pick for the next, and third, Republican Commissioner seat. Confirmation by the Senate should ensure a 3:2 Republican majority soon. Thus, unless Congress moves first on hotspots, the FCC may soon vote to eliminate hotspot eligibility.

Also on the horizon, under a 3:2 Republican FCC majority, is the possible reconsideration of two other FCC programs that the two existing Republican Commissioners had originally voted against, school bus Wi-Fi eligibility and the Cybersecurity Pilot Program. Our view on these two issues under the new Administration is briefly as follows:

- The eligibility of school bus Wi-Fi is likely to be reconsidered. One possibility, short of eliminating the provision altogether, would be require bus internet services to be filtered so as to provide internet access only through the schools’ own systems. This would make it easier to argue that school bus access is just an extension of in-school study halls, fully covered under the schools’ existing internet safety policies — in a sense, no different from library bookmobiles being extensions of libraries. This would also counter the concerns of some in Congress, including Ted Cruz, and the Fifth Circuit court, that bus Wi-Fi was just going to be used for social media access.
- Both current Republican Commissioners had previously expressed support for cybersecurity measures, but had voted against the final Cybersecurity Pilot order. We find it hard to believe that anyone could turn a blind eye to the risks of cybersecurity, nor that the FCC would kill the Pilot now underway (see below), but some changes may be forthcoming.

### **FCC Selects Cybersecurity Pilot Participants and Sets Timetable**

Last week, the FCC issued a Public Notice ([DA 25-53](#)) announcing the selection of 707 participants in the Cybersecurity Pilot Program and providing additional information on program requirements and timing. Selected participants were notified by email with an attached “Participant Selection Letter.”

## Cybersecurity Pilot Program Participant Selection Letter

Contact Information:

FCC Form 484: CBR20250

Billed Entity Number (BEN):




On behalf of the Federal Communications Commission (FCC or Commission), this letter notifies you that you have been selected as a participant in the Schools and Libraries Cybersecurity Pilot Program (Pilot Program or Pilot).

Preliminary Pilot Program Pre-Discount Commitment Amount:

### Totals

Preliminary Pre-Discount Commitment Amount	
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Applicants not selected received the following notice:



Universal Service  
Administrative Co.

E-Rate

### Schools and Libraries Cybersecurity Pilot Program Application Not Selected

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January 17, 2025

Applicant Name:

BEN: :

FCC Form 484 Application Number: CBR2025C

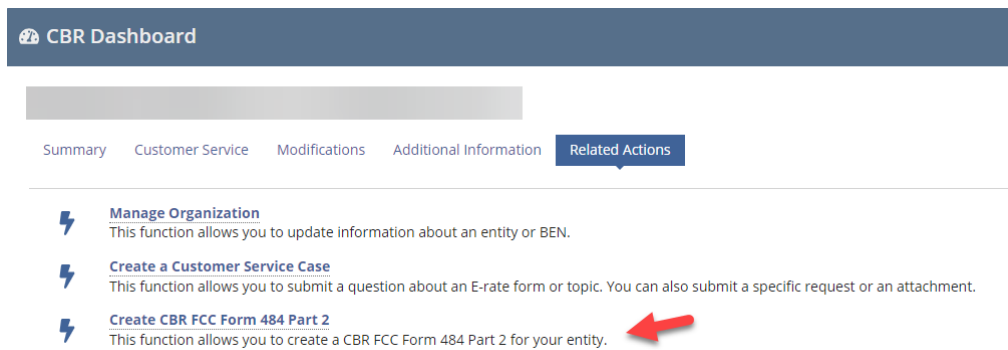
Thank you for your interest in the Schools and Libraries Cybersecurity Pilot Program. Your entity/ies was not selected to participate in the Pilot Program because it/they declined to provide the periodic data reporting required by the Schools and Libraries Cybersecurity Pilot Program Report and Order (FCC 24-63) at para. 72 and FN 284 and, therefore, it is/they are non-compliant with Pilot Program rules. Because demand for the Pilot Program exceeds available funding, applicants who indicated they would not comply with the Pilot Program rules, including the data reporting rule, were removed from the Pilot participant selection pool.

Parties may appeal or seek a waiver pursuant to section 54.2012(a) of the Commission's rules. The appeal or request for waiver must be submitted within 30 days of the decision or adverse action.

Here is a brief summary of the key Program points in the Public Notice:

- The 707 selected participants — including seventeen for North Carolina two — with at least one applicant from every state, DC, and Puerto Rico.
  - 676 of these applicants had Cat. 1 discount rates of 90% and, to make the break point even closer, had NSLP percentages of at least 82%. These participants were designated “Full Budget” and were approved for the full amount of the proposed budgets as expressed in their Form 484 Part 1 submissions.
  - 26 applicants, also at 90% discount rates, made the selection cutoff with a NSLP percentage of 81%. They were designated “Partial Budget” applicants and are assured of only about 78% of their requested Form 484 Part 1 budgets.
  - To meet the FCC’s goal of the broadest possible statewide participation, five applicants from other states (HI, KS, NE, NH, and WY) were deemed as “Full Budget” participants with discount rates ranging from 50-80%.

- To the extent that the “Full Budget” applicants do not fully need/use their budgeted amounts, funding will be allocated to those with partial budgets and to admit newer, lower NSLP, participants.
- The cyber Form 470 became available within the cybersecurity section of EPC last Friday. Please note that user access to any of the Pilot forms within EPC requires explicit Account Administrator permission.
- The cyber Form 471 application window will open March 18<sup>th</sup> and will close September 15<sup>th</sup>.
- The Form 484 Part 2 must be completed before an applicant’s Form 471 can be filed, much less reviewed. As such, the Form 484 Part 2 deadline is also September 15<sup>th</sup>, corresponding with the Form 471 deadline. The Form 484 Part 2 is already available in EPC from the CBR Dashboard.



- Periodic reports — designated “initial,” “annual,” and “final” — will become due within 60 days of an applicant’s annual anniversary of the issuance of its FCDL.
- Selected Pilot participants wishing to withdraw from the Program, without penalty, must do so by July 1<sup>st</sup>. Replacement Pilot participants, should spots become available, will be given two weeks to accept.

In a related action last week, the FCC released three “streamlined” decisions ([DA 25-54](#)) on requested Pilot Program waivers that:

- Dismissed one request for failure to meet the FCC’s basic filing requirements.
- Granted a waiver for a late-filed Form 484 Part 1 that was late by only one day. The applicant subsequently became a “Full Budget” participant.
- Denied a request for funding above the Program’s funding cap.

## Updates and Reminders

### *Upcoming Dates:*

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|------------|---|
| January 20 | President Trump’s inauguration will mark a change in control of the Federal Communication Commission (“FCC”). With the resignation of Jessica Rosenworcel, the previous Chairwoman, current Commissioner Brendan Carr becomes the new FCC Chairman. |
|------------|---|

January 24	FY 2024 Form 486 deadline for Wave 23. The Form 486 deadline is 120 days after the FCDL date, or the service start date (typically July 1 <sup>st</sup> ), whichever is later. The next Form 486 deadlines for FY 2024 are:
	Wave 24 01/31/2025
	Wave 25 02/07/2025
	Wave 26 02/14/2025
January 28	Normal invoice deadline for FY 2023 non-recurring services.
February 25	Extended deadline for FY 2023 recurring services invoices extended beyond the original October 28, 2024, deadline.
March 18	Opening of the Cybersecurity Pilot Form 471 application window.
March 26	Close of the E-Rate Form 471 application window for FY 2025.
July 1	Withdrawal deadline for selected Cybersecurity Pilot participants not wishing to continue in the Program.
September 15	Close of the Cybersecurity Pilot Form 471 application window and deadline for filing Form 484 Part 2.

#### *FCC Universal Service Monitoring Report for 2024:*

The FCC released its annual [Universal Service Monitoring Report for 2024](#). The Report includes a host of data on the Universal Service Fund (“USF”) including overall revenue and contribution data and details for each of the four USF-supported programs. The E-Rate data shows total funding commitments and disbursements by state for every year 1998-2023 by state and applicant type (see pp. 54-60).

#### *California Wildfire E-Rate Relief:*

Much as it has done following serious hurricanes, the FCC waived certain rules and deadlines to provide relief to E-Rate applicants and suppliers located in areas affected by the California wildfires ([DA 25-63](#)).

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*Newsletter information and disclaimer: This newsletter may contain unofficial information on prospective E-Rate developments and/or may reflect E-Rate Central's own interpretations of E-Rate practices and regulations. Such information is provided for planning and guidance purposes only. It is not meant, in any way, to supplant official announcements and instructions provided by USAC, the FCC, or NCDPI.*

*Additional North Carolina specific E-Rate information is available through our Web site — <http://www.E-Ratecentral.com/us/stateInformation.asp?state=NC>. Note that this site provides easy access to formatted North Carolina applicant E-Rate histories via the Billed Entity Number ("BEN") search mechanism in the upper left-hand corner. Detailed information can be obtained by "drilling down" using the links for specific funding years and individual FRNs.*

*If you have received this newsletter from a colleague and you would like to receive your own copy of the North Carolina E-Rate Forum, send an email to [join-ncerate@lists.dpi.state.nc.us](mailto:join-ncerate@lists.dpi.state.nc.us). Please include your name, organization, telephone, and e-mail address.*

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